

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023**

Trustees

The Very Rev. Dr John Hall (resigned 22 May 2023)
 Mrs Melissa Geiger (appointed 1 January 2023)
 Dr Rosalind Given-Wilson, Chair
 Mr Ben Gordon
 Mr Richard Greenhalgh
 Mr Will Hagger (appointed 2 December 2022, resigned 13 January 2023)
 Dame Reena Keeble (appointed 1 December 2022)
 Mr Mike Litchfield (resigned 21 November 2022)

Biographies for Trustees can be found at www.unitedlearning.org.uk

Company registered number 02780748

Charity registered number 1016538

Registered office Worldwide House
 Thorpe Wood
 Peterborough
 PE3 6SB

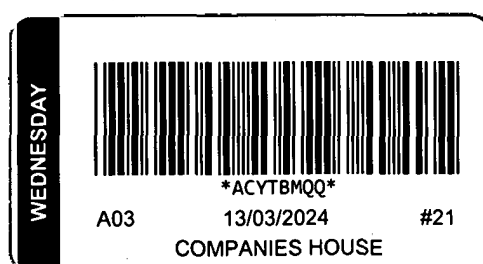
Company secretary Mrs Alison Hussain

Chief executive officer Sir Jon Coles

Senior management team

Sir Jon Coles, Chief Executive Officer
 Mr Benjamin Antell, Director of Secondary Education
 Mrs Fiona Boulton, Director of Independent Schools
 Mrs Kate Bradley, Director of HR
 Mr Darran Ellison-Lee, Director of Primary Education
 Mrs Suzanne Howard, Director of Professional Development
 Mrs Louise Johnston, Chief Financial Officer
 Ms Anna Paige, Director of Strategy and Performance
 Ms Lauren Thorpe, Chief Transformation Officer

Independent auditor Grant Thornton UK LLP
 Chartered Accountants
 17th Floor
 103 Colmore Row
 Birmingham
 B3 3AG



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(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Bankers

Barclays Bank PLC
One Snowhill
Snowhill Queensway
Birmingham
B4 6GN

Solicitors

HCR Hewitsons LLP
Elgin House
Billing Road
Northampton
NN1 5BA

Stone King LLP
3rd Floor
Bateman House
82-88 Hills Road
Cambridge
CB2 1LQ

UNITED CHURCH SCHOOLS TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also directors of the Charitable Company for the purposes of the Companies Act) present their annual report together with the audited financial statements of United Church Schools Trust (Limited by Guarantee) (the Charitable Company) for the year ended 31 August 2023. The Trustees confirm that the Trustees' Report and financial statements of the Charitable Company comply with the current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("SORP 2019").

Constitution and objects

United Church Schools Trust (Limited by Guarantee) is registered with the Charity Commission (No. 1016538) and is constituted as a company limited by guarantee (registered in England and Wales), governed by Memorandum and Articles of Association, which were last amended in 2004. The Charitable Company is established for charitable purposes and in accordance with its Memorandum of Association its principal activity is to provide a liberal, practical and general education for children which includes religious instruction in the doctrine and duties of Christianity.

Members of the Board (hereafter called "Trustees")

The present membership of the Board is set out under Reference and Administrative Details. All Trustees served throughout the year except where indicated.

Each member of the Board of Trustees holds one share in United Learning Ltd (formerly United Church Schools Foundation Ltd ("ULL")), the ultimate parent undertaking.

Appointment of Trustees

The Board has the power to appoint any person as an additional Trustee or to fill a casual vacancy. A Trustee holds office for three years, after which they must resign. They may remain in office for a further three years with the consent of the Board. Following this, they shall be eligible for re-election annually upon the proposal of the Chair.

The training and induction provided for new Trustees is dependent upon their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Trustees are given tours of the Charitable Company's schools and the chance to meet with staff and students. They are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction is tailored specifically to the individual. The Company Secretary works with the Trustees to identify training needs and steps to keep the Trustees updated regarding the regulatory environment.

Strategic report

Strategies and activities

The principal object of the Charitable Company is set out above.

Founded in 1883 as an educational charity anchored in the Church of England, the Charitable Company manages the operation of a group of Independent Schools to provide education for students of different abilities between the ages of 0 and 18. Its admission policies welcome people from all employment, faiths and backgrounds. In 2001, it created a subsidiary charity, United Learning Trust ("ULT") a multi-academy trust, to extend its work into some of the most challenging inner-city areas through the City Academy programme, and to this day the Charitable Company remains the sponsor of ULT.

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About United Learning

The overall aim of the Charitable Group is to promote excellent education, providing strong schools which enable all young people to make a success of their lives. The roots of our charity can be traced back nearly 140 years, and over this period, we have founded and developed a large number of schools, focused on the most important social and educational challenges of the day. Our strength as a group of schools lies in the unique collaboration between the state and independent sectors, in our national reach and growing regional clusters and in our dedication to continuous improvement, to developing each pupil's whole character and our pursuit of excellence. Our track record in some of the country's most challenging schools is based on structures and systems which ensure high expectations, rigour, enthusiasm and breadth.

As of 31 August 2023, United Learning – the trading name of the Charitable Group – comprises 13 independent schools operated within United Church Schools Trust ("UCST"), 81 state sector academies operated within ULT and a central office function that serves all our schools.

Operating review

Framework for Excellence

Our 'Framework for Excellence' is at the heart of everything we do at United Learning. It sets out the five key principles that we believe are vital to an excellent education for children and young people.

Best From Everyone

Our aim is to bring out the best in everyone. So we must expect the best from everyone, all the time. Every child is a special individual, capable of extraordinary things. Who can know the limits of any child's potential? So, we expect unreasonably - we constantly challenge children to do what they think they can't, to persist, to work hard and to be at their best.

From every adult we expect the same: that they are at their best, expect unreasonably of themselves, are determined and resilient and pass those expectations on to the children in all they do. We act with the utmost love, care and good faith - the highest standards come with the greatest attention to the wellbeing of all.

Powerful Knowledge

Our most important purpose is to teach young people things they would not learn outside school, which free them to think and act more powerfully in their lives. Words and numbers are our most powerful ways of representing the world. Mastery of language and fluent mathematical skills are therefore our priority. We aim to prepare young people to make a success of their lives: a core entitlement to subject-based learning; the development of talents; an understanding of work and society.

Worthwhile learning is often hard. Inspiring teaching is what gives access to difficult concepts and the thrill of intellectual discovery. Powerful knowledge is not static or backward-looking. It includes the ability to critique, challenge the status quo, think and learn.

Education with Character

Academic success is very important. Exam passes are an important aspect of that. But there is more to a good education. Our schools also aim to develop character, compassion and service. Young people are expected to contribute to their school and to society; to try things which they think they cannot do; to persist in the face of difficulty; to become resilient in overcoming obstacles; to manage themselves; to work independently on things which challenge them; to work with others and in teams; to be courageous and caring; to lead.

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We want young people to look back on a joyful schooling which has inspired and challenged them, given them wide opportunity and prepared them for the ups and downs of life.

Leadership in Every Role

Our children are leaders of the future. We expect them to start today - taking advantage of structured opportunities to lead and taking responsibility for themselves and others. Every adult in the school is a leader. In every word, tone and gesture, they set direction and expectation. We expect every adult to take responsibility to do what is right for the children.

All those in formal leadership positions create the climate in which others work. They demand the highest standards, build a performance culture, develop their teams and create the space for others to lead. All leaders listen, grow relationships, act with integrity and care and expect the best from themselves and others in building a happy, confident school.

Continuous Improvement

However good we are, we can be better. We constantly look for improvements and implement them with pace. We look for ideas for improvement inside the organisation and out; we observe one another; we steal good ideas with pride and look to make them better; we work together to improve.

We always look at the evidence and are rigorous in evaluating impact. We stop or change things which aren't working; we improve things which are. We aim for high leverage: high impact for low effort and low cost. We constantly look to have more impact for less cost and effort and to spend every pound wisely.

Long-term strategy

We continue to follow our five-year 2021-2026 strategy. We have agreed the following four strategic aims for this period:

- Great places to learn – because of the educational quality of our schools, their development of the whole person and the preparation they offer for life, the pastoral care they offer and the quality of the environment and relationships.
- Great places to work – because our schools offer an excellent professional experience, high quality relationships with students and other colleagues, excellent professional growth and opportunities, and a high quality working environment and resources.
- A great group to join – because of the quality of support we offer schools with compliance, the 'back office', education and school improvement and the high quality collaboration between schools.
- A great contribution beyond the group – because United Learning has a commitment to local communities, the national education system and the wider world.

Each strategic aim is supported by detailed delivery plans which enable us to ensure adequate human and financial resources are available to achieve the aims over the strategy period. The Charitable Company has a number of performance indicators against which it assesses its success and progress in delivering this strategy. The key indicators are:

1. All schools to improve their academic performance within the year.
2. All schools to improve pupil attendance within the year and to reduce incidences of suspension and exclusion.
3. All schools to recruit and retain high quality staff, including high quality trainee teachers.
4. All staff to receive high quality professional development.
5. To achieve it's in year budget.
6. To deliver an impact beyond our schools, including through community hubs and reducing carbon emissions.

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Progress against our key indicators is set out below.

Academic Performance

GCSE

At GCSE, across our independent schools:

- 61% of entries were awarded at least a grade 7.
- 89% of entries were awarded at least a grade 5.
- 96% of entries were awarded at least a grade 4.

Notable performances included:

- **Guildford High School** where 97% of entries achieved a grade 7 or above.
- **Surbiton High School** where 88% of entries achieved a grade 7 or above.

A Level

Across the nine secondary independent schools, there were 491 pupils entered for A Level entries. Headline results are:

- 50% of entries achieved A*-A grades.
- 75% of entries achieved A*-B grades.
- 90% of entries achieved A*-C grades.

Notable performances included:

- **Guildford High School** where 85% of entries achieved at least A* - A grades.
- **Surbiton High School** where 64% of entries achieved at least A* - A grades.

During the year eight of the Charitable Group's independent schools (Crowth Flexlands School, St Ives School, AKS, Embley School, Surbiton High School, The Royal School, Tranby and Lincoln Minster School) were inspected by ISI. All were judged to be compliant. Where a full inspection took place, all received 'excellent' judgements.

Education with Character in Action

Schools delivered extensive enrichment and extracurricular programmes to broaden our students' horizons and introduce them to new experiences. These included a number of Group-wide events and initiatives such as the annual International Art Competition, the StorySLAM creative writing competition, Student Leadership Programme and MUSICFest.

Annual Surveys

Each year we carry out pupil, parent and staff surveys.

Our annual surveys for pupils, parents and staff provide robust feedback on our progress towards our goals. They enable us to identify schools in need of support, and schools able to provide it. We encourage a 'you said – we did' strategy allowing any staff, parent, or pupil survey to maximise benefit and bring about positive change.

Headline findings from our Pupil Surveys across the Charitable Company's schools conducted in November 2022 include:

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At Prep:

- 98% of pupils agreed that they were proud of their school.
- 95% of pupils agreed that they feel that they belong in their school.
- 97% of pupils said they believed they could be successful in school and in life.

At Secondary:

- 95% of pupils agreed that the adults in their school expect them to be successful.
- 89% of pupils said they were proud of their school.
- 88% of pupils said they felt that they belonged to their school.

Successful Staff Engagement

To determine staff attitudes towards the Group, we carried out our annual staff survey in Autumn 2022. The overall 'engagement' score rose to 80%, well above relevant benchmarks.

Key findings of our staff survey include:

- 88% of staff said they valued their school's culture.
- 86% of staff said they support their school's strategy and direction.
- 84% said their job gives them a sense of personal fulfilment.

Leadership

United Learning remains committed to professional development and to ensuring that its schools are Great Places to Work. Investment in staff development supports individuals to have a greater impact on young people's learning and achievement; it also ensures that staff are well prepared to progress into new roles through internal promotion.

In 2022-23, the United Learning internal Leadership Development Programmes ("LDPs") were once again delivered with great success. One external participant voiced the view of many in saying: "The course was exceptionally well-designed... The insightful sessions... compelled me to share them with colleagues in my own professional setting. This course highlighted the exemplary practices undertaken by United Learning in schools nationwide."

All LDPs are facilitated by United Learning school and central office leaders. They are research-informed, flexible, webinar-based courses whose curricula support talented aspiring and recently appointed leaders to improve their personal effectiveness and refine their leadership values and behaviours.

In all, 92 staff completed the Middle Leadership Programme, 72 completed the Senior Leadership Programme and 15 completed the Aspiring to Headship Programme.

The reformed NPQ programmes were delivered in partnership with Ambition Institute. In 2022-23, 186 United Learning staff successfully completed an NPQ and our Teaching School Hubs supported an additional 210 external candidates through one of the nine programmes. The average pass rate was 98% which exceeded the national target of 90%, with 93.9% of participants reporting that they would recommend the programmes to colleagues.

United Teaching

In the year, 168 trainees completed United Learning's initial teacher training scheme, United Teaching. All trainees successfully 'passed' and were recommended for Qualified Teaching Status. As we approach the 2023/24 academic year, a further 235 trainee teachers have been recruited and participated in our Summer Institutes in July and August.

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In January 2023, United Teaching was judged to be an Outstanding teacher training provider by Ofsted. The inspectors reported that United Teaching "offers the highest quality of education and training", with trainees "exceptionally well prepared for the rewards and challenges of the teaching profession".

Early Careers Teachers ("ECT")

Support of ECT staff continues to be strong with 90% of early career teachers and mentors engaging well with the programme; retention of year 1 ECTs into year 2 has remained consistently high. All ECT mentors were offered training in instructional coaching which contributed not only to their professional development but to the overall experience for ECT staff. Further to this, a common independent school programme for ECTs was established, with great feedback from participants and induction coordinators alike.

Apprenticeships

United Learning Apprenticeships deliver apprenticeships for both support staff and teachers, with courses tailored for colleagues working in the education sector. Our provider delivers three Level 3 courses: Teaching Assistant, Early Years Educator and HR Support. Our Level 6 Teacher apprenticeship (delivered via United Teaching) also launched in September 2021.

In October 2022, 39 apprentices were studying a Level 3 apprenticeship: 23 as teaching assistants, 9 as early years educators and 7 as human resources support staff. An additional 155 apprentices were enrolled to study Level 6 teaching apprenticeships.

Key measures of success indicate high levels of learner engagement and 90% of apprentices expressed satisfaction with the programme and support they received. As a result, apprentice retention rates remain high.

In October 2022 Ofsted carried out a first monitoring visit following the establishment of United Learning Apprenticeships. The apprenticeship provider was found to be making reasonable progress in all areas.

In the year the United Learning professional development offer grew to include a new School Business Manager ("SBM") programme. This programme supported 23 SBMs to develop in their current roles and provided invaluable opportunities for networking between colleagues in comparable roles across United Learning. In all, more than 80% of enrolled participants engaged with the complete programme and 100% of participants agreed that the programme helped to develop their knowledge of leading support services across a school.

Inclusion, Diversity and Equality

To meet our aim for all our schools to be great places to work, we have a commitment to inclusion and fairness; we encourage all our staff to aspire, learn, progress and succeed in their career and ensure they are rewarded for doing so. This year, the Group continued to build on its work on inclusion, through:

- Establishing Future Leaders' Networks for female teachers and ethnic minority teachers who aspire to progress into a leadership role.
- Continuing with our Reverse Mentoring scheme.
- Improving the quality of workforce data and producing a detailed analysis of a range of HR practices including, for example, the percentage of internal promotion by gender and ethnic origin.

Our median Gender Pay Gap decreased from 11.2% in 2022 to 10.1% in 2023 (below the national education sector pay gap of 25%). We have also assessed our Ethnicity Pay Gap in 2023 and calculated a 24.8% median and 18.4% mean gap in our independent schools. We have continued to take steps to improve the racial diversity of our staffing profile so that it becomes more representative of the communities we serve – particularly at more senior levels. At the end of August 2023, 3.9% of our senior leaders and 1% of our middle leaders were from ethnic minority backgrounds, compared to 6.7% of our staff as a whole.

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FOR THE YEAR ENDED 31 AUGUST 2023

Our Group of Schools

Our schools remained consistent throughout the year with no schools joining the group during this period.

Going Concern

After making appropriate enquiries, including full consideration of the impact of the current economic and political climate, the Board of Trustees has a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future.

The financial results of the Charitable Company for the year were underpinned by strong pupil numbers, and whilst pay inflation impacted trading results, strong cash reserves were maintained. The current year also started positively with strong pupil numbers ahead of budget. However, again continuing cost inflation has led to higher implemented pay awards than originally budgeted which reduce the expected operating surplus. The Charitable Company is nevertheless in a strong position and able to absorb this level of surplus reduction for the year, but a full review continues to identify efficiencies and savings to be made in order to improve surplus margins. Various cash flow scenarios have been modelled for the period to 28 February 2025. The worst-case scenario uses pessimistic assumptions including potential pupil number reductions resulting from high costs of living, and the model builds in higher levels of inflation and increased costs. However, even in this scenario the Charitable Company continues to have adequate cash reserves to meet its liabilities as they fall due during the forecast period. In preparing these forecasts, management have considered the different levers available to them, such as operating costs savings and the timing of capital expenditure, which can improve working capital at the lower points in the headroom available, notwithstanding that these remain positive throughout. The Charitable Company also has available to it a wide range of contingency measures which it could use to reduce costs and/or realise funds should that prove necessary.

Bank loans of the parent undertaking, to which the Charitable Company is party to cross-guarantees, were renewed in March 2023, and will now mature in March 2026 at the earliest. The Charitable Company's bank rolling credit facility ends in February 2025 and renewal options are under review, the base case and worst case are not reliant on renewal of this facility. Management have also considered the impact of the base and worst-case scenarios on debt covenants and concluded that these will not be breached. The headroom in the different cash flow models and the levers available to the Charitable Company have enabled management to conclude that there is no material uncertainty in management's going concern assessment.

Therefore, based on the current financial position and latest forecasts, the robustness of cash flow management and the level of financial reserves available in the cash flow scenarios, the Board of Trustees are confident that the Charitable Company has adequate resources to continue to operate for the foreseeable future, being at least twelve months from the date of approval of these financial statements. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial Review

The total surplus for the year amounted to £4,074k (2022: £7,465k). Included within these results was an actuarial gain on defined benefit pension schemes and other pension commitments of £125k (2022: £1,065k).

The schools operated by the Charitable Company during the year were as follows:

AKS
Ashford School
Banstead Preparatory School
Coworth Flexlands School
Dunottar School
Embley

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Guildford High School
Lincoln Minster School
Rowan Preparatory School
St. Ives (Haslemere)
Surbiton High School
The Royal School
Tranby

The Charitable Company is a sponsor of ULT which is a subsidiary undertaking of the Charitable Company. ULT's aim is to found and manage academies under the government initiative. Academies opened to date are listed on the United Learning website.

Funds

The value of restricted funds to be utilised in future years includes £707k (2022: £714k) for prize and scholarship funds and other donated funds and £1,729k (2022: £1,729k) for the sponsorship fund. Unrestricted funds amount to £30,171k (2022: £26,090k) including designated funds of £2,374k (2022: £2,659k). The assets are held in pursuance of the Charitable Company's objectives.

Plans for future periods

The Charitable Company aims to continue to increase the number of pupils educated at its schools. This will be through organic growth and through mergers with other schools. The Charitable Company will continue to strive to improve the levels of performance of its students at all levels and will continue its efforts to ensure its prep students are well prepared for their secondary education and its secondary students are able to obtain jobs or a place in higher education, as they choose, once they leave its schools.

Funding

The Trustees are satisfied that the Charitable Company's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

Principal risks and uncertainties

During the year under review, the Trustees and senior management have formally identified, and documented, the major risks to which the Charitable Company is exposed.

Those risks have been reviewed by the Risk and Audit Committee and risk management strategies have been implemented. Risk management is embedded in the day to day processes of the Charitable Company and its subsidiaries. Principal risk areas for the Charitable Company are the protection of pupils and employees, and of assets and data. Procedures and governance to minimise these risks are constantly being reviewed and updated.

The Charitable Company's strategic risk register also covers risks relating to data protection, occupational health and safety, procurement, fraud, increasing cost of living, major incidents, growth, school performance and business continuity. Over the course of the year, the Charitable Company has amended its assessment of risk to reflect: the impact of the rising cost of living on its staff, families and communities; the potential for poor mental health and wellbeing to impact pupil and staff engagement; effective management of our future growth strategy; and a broader interpretation of the risks relating to governance.

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The principal risks include:

Safeguarding

To ensure that pupils are safe, feel safe, and are fully supported in this respect by their school, and to reduce the likelihood of child protection issues the Charitable Company has Safeguarding and Child Protection policies in place. These policies, which are available online, also provide a framework for its schools to develop secure processes for identifying and supporting pupils at risk of abuse. The implementation and effectiveness of these policies and procedures, which adhere to Department for Education guidelines on safeguarding and child protection, are regularly monitored and reviewed.

Information Security

In order to reduce the likelihood of data breaches and loss of access, the Charitable Company has Information Security policies in place, supported by regular training (including at induction and annual refreshers) and guidance for staff. Specific software, practices and processes are mandated across all the Charitable Company's schools to reduce opportunities for security breaches and mitigate the impact of any loss. The implementation and effectiveness of the approach are regularly monitored and reviewed, including through periodic stress testing.

People

The Charitable Company depends on the recruitment and retention of high-quality teachers and support staff to achieve its objectives, but currently operates in a challenging recruitment market. To mitigate this risk the Charitable Company's pay agreements for all staff are competitive within the sector (recognising current increased cost pressures), United Teaching is increasingly delivering a supply of quality teachers, and the Group-wide recruitment and retention handbook includes policies and advice for schools, including in relation to promoting diversity and inclusion. The Charitable Company invests in the development of its staff, including through provision of bespoke leadership development programmes and apprenticeship programmes for support staff, delivered through our own training provider.

Financial pressures

The Charitable Company is reliant upon the parents paying its school fees promptly and an economic downturn could have a direct impact on parents' ability to pay their fees. The political landscape is currently uncertain, government instability, a potential recession and possible changes in VAT and business rate relief rules could have a significant impact on the cost base of the Charitable Company's schools. Senior management and the Trustees therefore aim to keep abreast of the economic conditions both in the UK and abroad. Overheads are carefully monitored to ensure that resources are used effectively.

The markets in which the Charitable Company's schools operate are highly competitive. Consequently, the schools constantly review their processes to ensure that their pupils receive a first-class education that helps them to perform to their full ability in all aspects of school life.

A large proportion of the Charitable Company's costs relate to staff salaries, which are relatively fixed each year. There is a risk that a significant drop in revenue or further pay inflation or increases in pension contributions may lead to an inability to cover such costs.

To mitigate these financial risks senior management closely monitor all costs, including increased pension contributions, against budgets on a monthly basis. Variance analysis is undertaken to consider the impact of varying income and costs when budgets are being prepared and through monthly management accounts and reforecasts, and action plans are prepared and implemented to address any adverse impacts.

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Pensions

The Charitable Company also belongs to the Local Government Pension Scheme ("LGPS") run by the relevant Local Authority for certain nonteaching staff. This is now a closed scheme relating to one school where employees transferred as part of the conversion from a maintained school. Under the application of FRS 102, the contributions made by the Charitable Company to these funded defined benefit schemes currently results in pension deficits recorded in the Statement of Financial Activities. Under FRS 102, the Charitable Company is required to account for the retirement benefits when it is committed to provide them, even if the actual provision will be many years into the future. Whilst FRS 102 may be seen as a better reflection of the obligations of the employer to fund pension promises to employees, it does not reflect the actual accounting arrangements of the Pension Fund. It requires the Charitable Company to recognise the total value of all pension obligations that have accumulated (including deferred pensions) at 31 August each year.

A better reflection of a pension fund's actual position comes from the more detailed triennial assessment made by the fund actuary. This assesses and examines the ongoing financial position of the Pension Fund. The actuarial valuation can differ considerably from the FRS 102 valuation. It is the triennial actual valuation that is used to review contribution rates to the Fund from the Charitable Company, to ensure that existing assets and future contributions will be sufficient to meet future pension payments, and thus creates a risk in terms of increased contribution rates.

With regards to the LGPS risk senior management review the accounting reports prepared annually by the respective schemes' actuaries.

Financial risk management objectives and policies

The Charitable Company uses various financial instruments including cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Charitable Company's operations.

The main risks arising from the Charitable Company's financial instruments are liquidity risk and interest rate risk.

Financial risk management is managed by the central office finance department who act as the Charitable Company's treasury function ensuring that surplus funds are deposited to maximise interest receivable. In addition, it uses the Charitable Company's facilities in the most efficient manner. Those facilities are designed to ensure that the Charitable Company has sufficient available funds for day-to-day operations and for planned expansion and capital expenditure. The Charitable Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by overdraft facilities.

The Charitable Company finances its operations through retained surpluses and overdraft facilities.

The Charitable Company is exposed to price risk in terms of fees but is content that these are in line with those in the sector, and budgets accordingly. The principal credit risk for the Charitable Company arises from its debtors. Payment terms are enforced by the Charitable Company's credit control department and debt collection is outsourced as necessary. Credit risk is further managed through regular contact with any families in financial difficulty in an effort to assist.

Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

Policies

As part of managing our risks and to ensure good governance we outline some key policies below.

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Reserves

The Charitable Company's reserves policy is to maintain unrestricted reserves at a level to support the Company's strategic five-year goals and to cover any unforeseen circumstances including those covered by the Trust's risk management processes. To achieve this each school is set an in year budget target which ensures adequate resources including for estates and digital infrastructure investment as per their individual five-year plans.

Total reserves as at 31 August 2023 are £32,607k (2022: £28,533k) made up of retained restricted and unrestricted funds, comprising unrestricted general funds of £28,606k (2022: £24,556k), unrestricted designated funds of £2,374k (2022: £2,659k), an unrestricted pension fund deficit of £809k (2022: deficit of £1,125k) and restricted funds of £2,436k (2022: £2,443k). Retained restricted and unrestricted reserves increased during the year due to well managed budgeting and financial controls ensuring the aims of the Charitable Company were met.

The Directors plan to use reserves during the financial year to 31 August 2024 to invest in school buildings and IT infrastructure, and to fund strategic initiatives such as pupil mental health counselling support. Directors consider the current level of reserves, taking into consideration this planned expenditure, to be appropriate and in line with this policy.

The purpose of the restricted funds is set out in Note 16.

Investment policy

The Charitable Company's cash reserves are used to set off against borrowings in other independent schools Group companies to minimise interest charges to the independent schools Group. Cash balances are invested with Barclays Bank. During the year the investment strategy produced returns in line with the Charitable Company's expectations and market rates.

Environmental policy

The Charitable Group recognises that good environmental management must be an integral and fundamental part of its corporate business strategy and good educational practice. The Charitable Group therefore aims to ensure that its work is sustainable and seeks to avoid negative impact on the environment and climate. It is committed to reducing the carbon emissions associated with its operations, towards a goal of carbon neutral.

The Charitable Group seeks to engage all members of the school community in developing a sustainable approach to their work and activities so as to help it achieve its aims. The Charitable Group's commitment includes the environmentally prudent management of its buildings and operations, collaboration with suppliers to improve its indirect environmental impacts, and environmental programmes and education for its employees and pupils.

The Charitable Group has set a target to remove 50,000 tCO₂e a year by 2029/30. Key activities and initiatives include:

- Putting decarbonisation plans in place across all schools: these are informed by the surveys that were carried out by external consultants during 2023; we will ensure surveys are carried out in any new schools joining the Group;
- Implementing zero carbon heating solutions in five schools during 2023/24, with grants from the Public Sector Decarbonisation Scheme together with £6m match-funding;
- Continuing with a programme to improve the school Estate, including the replacement of old and inefficient gas boilers, improving insulation and installing LED lighting. In 2022/23 the Group's schools received £2.4m in energy efficiency grants, which have been used to support this work;
- Reviewing all photo-voltaic installations across the Group, with the aim of establishing a more consistent

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

- approach, as well as identifying further opportunities for renewable energy generation;
- Establishing our approach to sustainable procurement as part of our Group procurement strategy, focusing initially on our largest suppliers and the areas of spend that are responsible for the highest emissions. Over time, we aim to make it a condition of doing business with the Charitable Group that suppliers are committed to reducing their own carbon emissions;
- Maintaining a network of Carbon Neutral Champions across all our schools, who lead and champion action on sustainability in their school and work together to identify ways of further reducing carbon emissions.

Pay policy for key management personnel

Details of the pay policy in respect of key management personnel is included in the Governance section on pages 19 and 20.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. Regular meetings are held with staff in our schools to brief them on major issues and discuss local issues. Each school also ensures that all staff are kept fully briefed through a variety of mechanisms, including staff meetings, notice boards, newsletters and the Group intranet United Hub.

All new staff joining the Charitable Company are fully inducted and annually the Charitable Company runs two induction programmes, lasting two days, for all teachers new to United Learning. The Charitable Company carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Directors.

The Charitable Company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

The Charitable Company has in place a National Recognition Agreement with the main teaching and support unions. Regular joint meetings of the Joint Negotiating Committee (JNC) are held with this Group where matters of mutual interest are discussed and agreed upon.

The union members of the JNC report back to their members through locally appointed representatives. Each school also ensures all staff are kept fully briefed by using a variety of methods including staff meetings and newsletters.

In accordance with the Charitable Company's Equal Opportunities policy, the Charitable Company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charitable Company's offices.

Details of the Charitable Group's Gender Pay report can be found on its website at unitedlearning.org.uk

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TRUSTEES' REPORT (CONTINUED)
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Fundraising

Our schools occasionally fundraise for themselves or charities via events such as performances, non-school uniform days and school fairs.

Occasionally, the Group is approached by trusts or individuals who are interested in working with us and we will provide them with programme and funding information in order to explore funding opportunities that meet both parties' objectives and ethos. In prior years, the Charitable Group has received large donations from individuals in this way.

We are members of the Fundraising Regulator Fundraising Preference Service to monitor our fundraising complaints. We did not receive any complaints this year.

Public benefit

The Trustees confirm that they have referred to the Charity Commission's guidance on Public Benefit when reviewing the Charitable Company's aims and objectives and in planning future activities for the year.

The Charitable Company aims to educate as many young people as possible irrespective of their backgrounds. The main strands to its work are:

-
- Sponsorship of the ULT multi-academy trust.
 - Bursaries and other financial assistance.
 - Nurturing collaboration between schools and giving students and staff exceptional academic, sporting and cultural experiences.

The Charitable Group aims to make a great contribution beyond the group, having a positive impact on our local communities beyond the school, on the national education system and on the wider world.

Throughout the year staff across our Group, including Head teachers and members of our senior leadership team have provided support and expertise to working groups, research teams and national fora across the sector including in EdTech, curriculum reviews, qualification and exams.

Community Hubs

In the year we introduced a framework to support schools to strengthen their relationships with, and make great contributions to, their local communities. This work included the development of five community hubs which provide tailored and targeted support to the communities they serve. This year our hubs:

- Delivered 914 hours of support to their communities.
- Facilitated 465 community activity sessions.
- Provided 341 hot meals to local residents.
- Received 737 volunteer hours from young people, parents and community members to support hub activity.

United Curriculum and Continuity Oak

As part of our role and moral purpose to contribute towards the improvement of education generally across the country, we have made available our United Learning Curriculum to schools outside the Group. Schools can now have access to the Group's tried and tested curriculum and benchmarking analysis tools for end-of-year assessments.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Academies

The Charitable Company is the sponsor of, and works very closely with, ULT in managing a group of academies. Through interaction in all of the schools and academies, the two charitable companies work together to share best practice both ways, and to ensure they give pupils every opportunity to succeed during their education. This involves such activities as group meetings at every level to share best practice and the sharing of educational resources over United Hub.

Access policy

The Charitable Company works very hard to offer education to as many pupils as possible throughout England. Through its bursary policy, it widens the number of pupils attending the Charitable Company's schools. By setting up, sponsoring, and working very closely with ULT, pupils in state funded academies enjoy the same educational resources available throughout the Charitable Company's schools. The Charitable Company's schools all access United Hub, which enables teachers at any of the schools in the Group to collaborate, share resources and challenges, positively impacting on workload.

Bursary Policy

The ability to offer education to children of families who would not be able to afford the school fees is very important to the Charitable Company. As a result of the desire to help children in this way the Charitable Company continued to operate its schemes of means tested financial assistance and its separate schemes of scholarships and family discounts, where parents have more than one child at one of our schools. Means tested assistance is available to those who would not otherwise be able to afford the fees and, equally importantly, in cases of hardship where pupil's education or future prospects might be at risk. Bursaries range in value from 5% to 100% of the school fee. During the year, the Charitable Company granted £0.8m (2022: £0.8m) to pupils attending its schools under means tested assistance. This equated to 0.6% of gross fees received (2022: 0.7%). Further details of our Bursary Policy and how to apply are on our website.

In addition during the year, the Charitable Company granted £307k (2022: £326k) of further discounts and £4k (2022: £58k) of payment deferrals from the £4m Hardship Fund set up during lockdown to support those families at our independent schools who found themselves unable to pay school fees as a result of the pandemic.

Section 172 Statement

The Directors fulfil their duty to promote the success of the Charitable Company, under Section 172 of the Companies Act 2006 (the Act) and consider the interests of United Church Schools Trust's key stakeholders when making decisions as follows.

United Church Schools Trust has a clear purpose which is to promote excellent education, providing strong schools which enable all young people to make a success of their lives. This requires the Board, senior leadership team and other employees to maintain an approach to strategic, financial and operational decision making that is values based and sustainable in approach, and therefore aligned to the requirements and expectations of Section 172. Our long-term success relies upon our delivering the strategic objectives described in the Directors' report above through our talented and committed employees; close working relationships with regulators and suppliers, providing benefits to both the pupils in our schools and the wider school community.

In the light of our purpose and strategy as set out in the Directors' Report our Directors take steps to understand the needs and priorities of each stakeholder group and do so via a number of mediums, including by direct engagement through school visits and discussions with employees; employee, parent and pupil surveys; and via committees and forums. Day to day engagement and fostering of relationships with pupils and parents is delegated to school management. A range of tools are provided to assist with this, including our Parental Engagement Handbook.

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Strategic priorities are discussed with the Board at the start of each year. These are informed by our long-term vision, the outcomes for pupils and other key performance measures from the previous year and the outcomes of our stakeholder surveys. The Board sets key performance indicators and targets relating to these priorities and monitor performance against these at each Group Board meeting.

At Board meetings, the Directors receive reports summarising the current status of each of our schools and highlighting any notable successes or concerns. Sub-committees, as described in the Governance Statement, meet to enable scrutiny of a wider range of data and reports and to review progress against the strategic objectives.

The Board has designated named Directors to act as the key link between the Board and Local Governing Bodies, and with the education teams. There are two such designated Directors, one each for secondary and primary academies. The Board has also identified link Directors for safeguarding, people, health & safety, finance and risk management. Link Directors attend relevant meetings of the Executive and speak regularly with relevant key employees to provide regular oversight and ensure they understand the key issues facing the organisation and how these are being tackled.

All Directors are invited to visit schools on a regular basis. These visits are generally scheduled alongside education teams so that they are able to observe the way in which Education Directors engage with senior school staff in pursuing improvement priorities. Their notes of visits are shared with the Executive and with the Board.

United Church Schools Trust is regulated by the Charity Commission and has due regard to the Commission's guidance. The Trust is regulated by the Information Commissioner's Officer ("ICO"), and policies and procedures are in place to ensure compliance with General Data Protection Regulations, which have been shared with the ICO.

The Directors consider relationships with suppliers through the oversight of the Group procurement policy and Modern Slavery statement. The group procurement strategy describes how the Charitable Group manages its suppliers based on criticality, how it deals with performance issues and how it works with suppliers to continually improve performance and identify new and better ways of delivering services. The impact of the Charitable Company's operations on the community is referred to in the Environmental Policy in the Trustees' report.

Our intention is to foster good supply arrangements which benefit both the Charitable Company and the suppliers we utilise. Our aim is to be supplied with the goods and services we need at the best value and at the time required, through suppliers being offered fair, open and transparent ways to bid and provide these goods and services. We engage in regular dialogue with key suppliers and publish an annual Modern Slavery Act statement.

The outcomes of this engagement with our stakeholders informs Board decision making as described in the Trustees' report above.

Governance

The Board of Trustees have delegated their powers and functions to a committee of Trustees known as the Group Board. All the Trustees of United Church Schools Trust ("UCST") are members of the Group Board. Members of the Group Board also include persons who are Trustees of United Learning Trust ("ULT"), a subsidiary Charitable Company. The Group Board of Directors has formally met 6 times during the year and the UCST Board of Trustees held 4 independent meetings. Attendance during the year at the meetings of the Trustees was as follows:

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	UCST meetings attended	Out of a possible
Dr Rosalind Given-Wilson, Chair	4	4
Mr Ben Gordon	4	4
Mr Richard Greenhalgh	4	4
The Very Rev. Dr John Hall	2	3
Mr Mike Litchfield	1	1
Dame Reena Keeble	3	3

Board member	Group Board meetings attended	Out of a possible
Dame Yasmin Bevan	1	1
Sir Jon Coles	6	6
Dr Stephen Critchley	6	6
Ms Karima Fahmy	6	6
Dr Rosalind Given-Wilson	6	6
Mr Ben Gordon	6	6
Mr Richard Greenhalgh, Chair	6	6
The Very Rev. Dr John Hall	3	5
Dame Sue John	3	4
Dame Reena Keeble	5	6
Mr Mike Litchfield	1	1
Mr Neil MacDonald	6	6
Dr Rania Marandos	6	6
Mr Christie Spurling	6	6

The Board of Trustees delegates clear responsibilities to the Schools' Local Governing Bodies ("LGBs"), whose purpose is to provide support and challenge to the school on behalf of the Board. The functions and duties of the LGBs are set out in the LGB Members' Handbook. The Group Board maintains links with the LGBs through the Head of Local Governance, and designated Trustees for the schools. The Chairs and Vice Chairs of the LGBs are invited to attend meetings of the Chairs' Forum, which meets three times in the academic year and provides advice on strategy and education, relevant continuing professional development and the opportunity for sharing of best practice with their peers. The Chairs' Forum meetings further enhance communications between LGBs and the Trustees.

In year, the Board carried out a Board skills gap analysis, a review of the link trustee roles and also reviewed Committee terms of reference and cycle of business.

In year the Board updated its processes and procedures including a code of conduct for Trustees which is aligned to the charity governance code. This has provided further clarity of the role of Trustees within the Charitable Group. The board conducted a self-evaluation in February 2023. This consisted of a questionnaire followed by a discussion at the Board away day. The outcome of this evaluation included revising the process for reviewing Trustee performance.

Board Committees

The Group Board has four further committees, which advise on matters defined by their terms of reference. The Committees are the Finance Committee, the Risk and Audit Committee, the Nominations and Remuneration Committee and the Education Standards and Performance Committee. The minutes of all committees are made available to the Board of Directors at meetings of the Group Board and any matters of concern are highlighted.

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TRUSTEES' REPORT (CONTINUED)
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The Finance Committee's purpose is to:

- ensure that the Charitable Company properly plans the use of its finances and is adequately funded to undertake projected expenditure.
- review and recommend the annual budgets for approval by the Board of Trustees.
- monitor financial performance against agreed budgets.
- ensure, with the Risk and Audit Committee, that the Charitable Company's financial statements are supported accurately by management accounts.
- monitor and review the Charitable Company's arrangements in relation to investments and make recommendations to the Board of Trustees in relation to the appointment and removal of investment advisors.

Dr Stephen Critchley is the Chair of the Finance Committee. Attendance at meetings during the year was as follows:

Committee member	Meetings attended	Out of a possible
Dr Stephen Critchley, Chair	4	4
Mr Ben Gordon	4	4
Mr Richard Greenhalgh	4	4
Mr Mike Litchfield	4	4
Mr Neil MacDonald	1	2

The Risk and Audit Committee's purpose is to:

- ensure implementation of a risk management framework for the Group.
- ensure the Charities' annual financial statements are reconciled to the management accounts.
- ensure effective audit functions are in place (both external and internal).
- ensure adequate risk management processes are in place.
- ensure an adequate internal control environment is established.

The Chair of the Risk and Audit Committee is Mr Neil MacDonald. Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Dr Stephen Critchley	4	4
Ms Karima Fahmy	3	4
Mrs Melissa Geiger	3	4
Mr Neil MacDonald, Chair	4	4
Mrs Janet Swadling	3	4

A Group Nominations and Remuneration Committee exists to oversee the appointments of the Group Chairman and Directors and to approve Executive salaries and remuneration. The Committee is chaired by the Chair of the Group Board, and it is advised by the Director of HR and the Company Secretary as appropriate.

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TRUSTEES' REPORT (CONTINUED)
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The Nominations and Remuneration Committee regularly reviews the terms of office, skills and attributes of the Board of Directors. On the basis of this, the Committee plans succession in order to ensure that the Board has available to it the range of skills and experience required to discharge its responsibilities. The Committee makes recommendations to the Board as to the need for new Directors and leads the process of recruitment of Directors as required, making recommendations of appointment to the Board. The Committee ensures that appointment is on merit, but also seeks to ensure that the Board reflects the diversity of the communities it serves.

In considering Executive pay, the Committee takes account of the needs of the organisation for skills, experience and personal capabilities to enable it to achieve its objectives and the price of such skills in the labour market. The Committee considers that in order to attract and retain leaders with the skills to achieve organisational objectives, senior pay must be competitive in the marketplace, taking account of the pay rates of comparably senior and skilled employees in other organisations – particularly in comparable organisations in education, in public service and in the charitable sector, and taking account of the transferability of skills into other sectors.

The Committee is also mindful of the need for charities and organisations in receipt of public funding to set pay rates which are publicly defensible and seen to be appropriate.

The Committee considers annual pay in relation to the performance of the organisation, and of individuals against their objectives and in their broader contribution and in any changes to job role.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr Richard Greenhalgh	4	4
Mr Ben Gordon, Chair	3	4
The Very Rev. Dr John Hall	2	3
Dr Rania Marandos	2	4

The Group Education Standards and Performance Committee's purpose is to:

- ensure that the Trust discharges its responsibilities for education improvement in providing excellent education so that pupils are able to progress, achieve and to go on to succeed in life.
- advise the Group Board with respect to Group strategic educational priorities and key performance indicators.
- provide an overview, scrutiny and challenge of education performance of all schools.
- receive reports from the Executive regarding education standards and performance of schools, and to hold the Executive to account, against the approved Group strategic priorities and key performance indicators related to schools' educational performance;
- review annually the performance of local/cluster governing bodies to ensure they are operating at maximum effectiveness.
- receive reports from Executive regarding safeguarding, and to hold the Executive to account regarding the effectiveness of policies and process designed to keep children safe.

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TRUSTEES' REPORT (CONTINUED)
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Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Dame Yasmin Bevan, Chair	1	1
Sir Jon Coles	3	3
Dr Rosalind Given-Wilson	1	3
Mr Richard Greenhalgh	2	3
The Very Rev. Dr John Hall	1	2
Dame Reena Keeble	3	3
Mr Christie Spurling	3	3
Dame Sue John	1	2

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Charitable Company's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Charitable Company for the year from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Charitable Company is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Charitable Company's significant risks that has been in place for the year from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

The Charitable Group has a risk register that identifies the key strategic risks facing the Group, the actions taken to mitigate those risks and the owners of those actions. Risk control is exercised by the senior management team, which reviews the risk register on a monthly basis. The Risk and Audit Committee considers the risk register at each of their meetings. Its views are reported to the Board of Trustees via the Committee's minutes and the Chair's report to the Group Board.

The Risk and Control Framework

The Charitable Company's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports, which are reviewed and agreed by the Board of Trustees.
- regular reviews by the management and the Finance Committee of reports which indicate financial performance against the forecasts and major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties.
- identification and management of risks.

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TRUSTEES' REPORT (CONTINUED)
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The Group employs an Internal Auditor and a Head of Internal Audit who have a direct reporting line to the Chair of the Risk and Audit Committee. The Internal Audit service operates best practice professional standards and guidelines. Internal Audit independently and objectively reviews, on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Charitable Company's objectives, and contributes to the proper, economic, efficient and effective use of resources.

Internal Audit's role includes giving advice on internal controls and performing a range of checks on the Charitable Company's core financial systems. An increased level of control checks were carried out in the year including increased testing of school level controls, covering local governance, procurement, income, cash management, human resources, payroll and fixed assets. Furthermore, testing of non-financial systems and central office functions were conducted, including reviews of the organisation's safeguarding arrangements, IT technical assurance programmes, estates projects, absence management and pension arrangements.

On a quarterly basis, the Head of Internal Audit reports to the Board of Directors through the Risk and Audit Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

For the year ended 31 August 2023, based on the work undertaken, an internal audit opinion of good assurance was given on the adequacy and effectiveness of the organisation's risk management, internal control and governance arrangements.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

Chief Executive

The Trustees delegate the day to day responsibility of the running of the Charitable Company to the Chief Executive Officer.

Connected charities

There is a relationship between United Church Schools Trust (Limited by Guarantee) and other charities as set out in note 26.

Directors' indemnities

In accordance with normal commercial practice, the Charitable Company has insurance in place to protect Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Charitable Company business.

Statement of Trustees' (collectively known as the Board) responsibilities

The Trustees (who are also directors of United Church Schools Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial

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TRUSTEES' REPORT (CONTINUED)
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statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS 102).
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Rosalind Given-Wilson

Dr Rosalind Given-Wilson
Chair Trustee
Date: 4/3/2024

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS TRUST

Opinion

We have audited the financial statements of United Church Schools Trust (the 'Charitable Company') for the year ended 31 August 2023, which comprise Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements section' of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charitable Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Charitable Company to cease to continue as a going concern.

In our evaluation of the Trustees' conclusions, we considered the inherent risks associated with the Charitable Company's business model including effects arising from macro-economic uncertainties such as high inflation, we assessed and challenged the reasonableness of estimates made by the Trustees and the related disclosures and analysed how those risks might affect the Charitable Company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS TRUST
(CONTINUED)

accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Trustees with respect to going concern are described in the 'Responsibilities of Trustees for the financial statements' section of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report, prepared for the purposes of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS TRUST
(CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on pages 22 and 23, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charitable Company and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), Charities SORP (FRS 102), Charities Act 2011, the Companies Act 2006;
- We understood how the Charitable Company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, through our legal and professional expenses review and through inquiries of solicitors who served during the period;
- We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
 - Challenging assumptions and judgements made by management in its significant accounting policies
 - Identifying and testing journal entries, with a focus on manual postings, journals that directly impacted on the surplus reported in the statement of financial activities and journal entries posted in the closing and accounts preparation period
 - Identifying and testing related party transactions

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS TRUST
(CONTINUED)

- Inspecting the board and other committee minutes
- Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the charity and education sector
 - understanding of the legal and regulatory requirements specific to the Charitable Company including:
 - the provisions of the applicable legislation
 - guidance issued by the Charities Commission.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue through manipulation of income and management override of controls; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Charitable Company's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Charitable Company's control environment, including: the policies and procedures implemented by the Charitable Company to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations.
 - ◆ the policies and procedures implemented by the Charitable Company to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
 - ◆ the adequacy of procedures for authorisation of transactions and review of management accounts
 - ◆ procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS TRUST
(CONTINUED)

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Jim McLarnon ACA
Senior Statutory Auditor

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

Birmingham

Date: 4/3/2024

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:					
Donations and legacies	4	-	4,843	4,843	3,343
Charitable activities	2,3	-	139,311	139,311	126,989
Total income		-	144,154	144,154	130,332
Expenditure on:					
Charitable activities	5	-	140,199	140,199	123,929
Total expenditure		-	140,199	140,199	123,929
Net income before net (losses)/gains on investments		-	3,955	3,955	6,403
Net losses on investments		(6)	-	(6)	(3)
Net (expenditure)/income		(6)	3,955	3,949	6,400
Transfers between funds	16	(1)	1	-	-
Net movement in funds before other recognised gains carried forward		(7)	3,956	3,949	6,400
Other recognised gains:					
Actuarial gains on defined benefit pension schemes	23	-	125	125	1,065
Net movement in funds		(7)	4,081	4,074	7,465
Reconciliation of funds:					
Total funds brought forward		2,443	26,090	28,533	21,068
Total funds carried forward		2,436	30,171	32,607	28,533

All activities are continuing and there are no other recognised gains and losses.

The notes on pages 33 to 63 form part of these financial statements.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 02780748

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	10	1,756	2,055
Tangible assets	11	8,543	7,132
Investments	12	210	216
		<u>10,509</u>	<u>9,403</u>
Current assets			
Stocks	13	4	5
Debtors	14	65,155	59,118
Cash and cash equivalents		20,323	19,690
		<u>85,482</u>	<u>78,813</u>
Creditors: amounts falling due within one year	15	(62,575)	(58,558)
Net current assets		<u>22,907</u>	<u>20,255</u>
Total assets less current liabilities		<u>33,416</u>	<u>29,658</u>
Net assets excluding pension liability		<u>33,416</u>	<u>29,658</u>
Defined benefit pension scheme liability	23	(809)	(1,125)
Total net assets		<u><u>32,607</u></u>	<u><u>28,533</u></u>
Charity funds			
Restricted funds	16	2,436	2,443
Unrestricted funds			
Unrestricted funds excluding pension liability	16	30,980	27,215
Pension reserve	16	(809)	(1,125)
Total unrestricted funds	16	<u>30,171</u>	<u>26,090</u>
Total funds		<u><u>32,607</u></u>	<u><u>28,533</u></u>

UNITED CHURCH SCHOOLS TRUST
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BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Rosalind Given-Wilson

Dr Rosalind Given-Wilson

Date: 4/3/2024

The notes on pages 33 to 63 form part of these financial statements.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	18	4,350	10,214
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,975)	(2,585)
Proceeds from the sale of tangible fixed assets		1	-
Net cash used in investing activities		(2,974)	(2,585)
Cash flows from financing activities			
Interest paid		(743)	(441)
Net cash used in financing activities		(743)	(441)
Change in cash and cash equivalents in the year		633	7,188
Cash and cash equivalents at the beginning of the year		19,690	12,502
Cash and cash equivalents at the end of the year	19	20,323	19,690

The notes on pages 33 to 63 form part of these financial statements

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

United Church Schools Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

1.2 Consolidation

Consolidated financial statements have not been prepared as consolidated financial statements for the Charitable Company's ultimate parent undertaking, United Learning Ltd (formerly United Church Schools Foundation Limited), are publicly available from the Charitable Company's registered office and incorporate the results of the Charitable Company and its subsidiary undertakings. These financial statements therefore represent the results of United Church Schools Trust only.

1.3 Income

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the Charitable Company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charitable Company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charitable Company which is the amount the Charitable Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Bursaries and discounts awarded are charged in the year to which they relate, and are offset against the associated income.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Charitable activities are costs incurred in the Charitable Company's educational operations. Governance costs are those incurred in connection with administration of the Charitable Company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Charitable Company's educational operations, including support costs and costs relating to the governance of the Charitable Company apportioned to charitable activities.

Restructuring costs are recognised once there is a legal or constructive obligation to undertake restructuring activities, which includes redundancy payments.

All expenditure is inclusive of irrecoverable VAT.

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.6 Company status

The Charitable Company is a company limited by guarantee. United Learning Ltd (formerly United Church Schools Foundation Limited) (Company number 00018582) is the ultimate parent undertaking and sole member of the Charitable Company. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charitable Company.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.7 Going concern

The Trustees assess whether the use of going concern is appropriate, considering whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charitable Company to continue as a going concern. The Trustees make this assessment in respect of a period at least one year from the signing date of these financial statements. The Trustees have considered the effects of the current economic and political climate in reaching their conclusions, preparing an annual budget and monitoring performance against it with forecasts for the balance of the financial year and beyond, and preparing a range of cash flow forecast scenarios. The Charitable Company maintains reserves to meet unexpected obligations and forecast models indicate that, even allowing for the rising costs of inflation including wage inflation and interest rates, the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis as discussed in the Trustees' Report on page 9.

Various cash flow scenarios have been modelled for the period to 28 February 2025. The worst-case scenario uses pessimistic assumptions including potential pupil number reductions resulting from high costs of living, and the model builds in higher levels of inflation and increased costs such as pay. However, even in this scenario the Charitable Company continues to have adequate cash reserves to meet its liabilities as they fall due during the forecast period.

Management have also considered the impact of the base and worst-case scenarios on debt covenants and concluded that these will not be breached. The headroom in the different cash flow models and the levers available to the Charitable Company have enabled management to conclude that there is no material uncertainty in management's going concern assessment.

1.8 Intangible fixed assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation begins when the intangible asset is available for use, and is charged straight line over the useful economic life of 8 - 10 years.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.9 Tangible fixed assets and depreciation (continued)

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following bases:

Freehold land	- not depreciated
Leasehold improvements	- Term of the lease
Motor vehicles	- 4 years
Fixtures and fittings	- 10 years
Computer equipment	- 3 years

Tangible assets donated to the Charitable Company are capitalised based on their fair values which then represents the deemed historic cost of the asset.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.12 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable Company; this is normally upon notification of the interest paid or payable by the Bank.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.14 Taxation

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.15 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.16 Cash and cash equivalents

Cash and cash equivalents includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.17 Liabilities and Provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.18 Financial instruments

The Charitable Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charitable Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

UNITED CHURCH SCHOOLS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.19 Pensions

The Charitable Company make contributions to a number of defined contribution pension plans for non-teaching staff and the pension charge represents the amounts payable by the Charitable Company to the fund in respect of the year.

Retirement benefits to teaching staff are provided by the Teachers' Pension Scheme ("TPS"). Retirement benefits to certain support staff are provided by the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charitable Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and assets are held separately from those of the Charitable Company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.20 Government Grants

Government grant income from the coronavirus job retention scheme is recognised when there is evidence of entitlement to the grant income, receipt is probable, and its amount can be measured reliably.

UNITED CHURCH SCHOOLS TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.21 Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and liabilities within the next financial year are discussed below.

Actuarial valuations for Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. For example, a 0.1% increase in discount rate would decrease the liability by £111k and a 0.1% increase in inflation would increase the liability by £112k. Furthermore a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The estimates and assumptions that have a lower risk of causing a material adjustment to the carrying amounts and liabilities within the next financial year are discussed below.

Unfunded pension obligations

The Charitable Company has also made provision for unfunded pension obligations. The key assumptions made in computing this provision comprise mortality assumptions and discount rates, with the total obligation arising as a result having been disclosed in note 23. Any changes in these assumptions would impact the carrying amount of the liability.

Depreciation of tangible fixed assets

Depreciation is computed based on the best estimate of the useful economic lives of the relevant assets and their ultimate residual value.

Provision for bad debts

An allowance for doubtful debts is maintained for estimated losses resulting from the inability of the Charitable Company's fee debtors to make required payments. The Charitable Company applies a policy for providing for bad debts which is periodically reviewed based on an assessment of actual outcomes against those expected.

UNITED CHURCH SCHOOLS TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.22 Exceptional items

Costs classified as exceptional relate to costs which are non-recurring and outside of the normal charitable activities of the company as disclosed in note 9.

2. School fees receivable and catering income

	2023 £000	2022 £000
Gross fee income receivable	124,750	114,723
Scholarships, bursaries and reduced fees	(10,387)	(9,945)
Catering income	1,966	1,953
Net fee income receivable	116,329	106,731

In 2023, of the total school fees receivable and catering income, £116,329k (2022: £106,731k) was to unrestricted funds and £NIL (2022: £NIL) was to restricted funds.

3. Other educational related income

	2023 £000	2022 £000
Support services to other schools and academies	13,758	13,209
Income from Government's Coronavirus Job Retention Scheme	-	8
Early years funding	1,190	1,038
Pupil registration fees	361	331
Charges for additional classes	1,557	1,112
Charges for school trips	3,640	2,817
Other school income	1,998	1,299
Rents and lettings	478	444
	22,982	20,258

In 2023, of the other educational related income, £22,982k (2022: £20,258k) was to unrestricted funds and £NIL (2022: £NIL) was to restricted funds.

UNITED CHURCH SCHOOLS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Voluntary income

	2023	2022
	£000	£000
Other sponsorship and donations received	3,773	2,874
Gift aid from subsidiary undertakings	1,070	468
Gift aid - COVID-19 donations	-	1
	4,843	3,343

In 2023 of the total voluntary income, £4,843k (2022: £3,343k) was to unrestricted funds and £NIL (2022: £NIL) was to restricted funds.

UNITED CHURCH SCHOOLS TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. Analysis of total resources expended

	Staff costs 2023 £000	Other costs 2023 £000	Depreciation 2023 £000	Total 2023 £000	Total 2022 £000
Charitable activities					
Direct costs					
Educational supplies	72,466	11,727	-	84,193	74,269
Staff development	303	71	-	374	279
Examination fees	-	773	-	773	372
Technology costs	3,305	2,453	-	5,758	5,256
	<u>76,074</u>	<u>15,024</u>	<u>-</u>	<u>91,098</u>	<u>80,176</u>
Support costs					
Recruitment and support	-	607	-	607	471
Premises costs	4,087	12,183	-	16,270	14,537
Insurance	-	1,037	-	1,037	620
Catering	-	6,446	-	6,446	5,830
Marketing	1,069	1,661	-	2,730	1,991
Legal and professional	-	1,156	-	1,156	1,151
Other support costs	15,194	2,518	-	17,712	16,602
Depreciation and amortisation	-	-	1,863	1,863	1,631
(Profit) on disposal of assets	-	(1)	-	(1)	-
Bank interest and charges	-	862	-	862	556
	<u>20,350</u>	<u>26,469</u>	<u>1,863</u>	<u>48,682</u>	<u>43,389</u>
Governance costs					
Auditor costs - audit fees	-	64	-	64	53
Company Secretariat costs	310	43	-	353	309
Trustees' meeting and travel	-	2	-	2	2
	<u>96,734</u>	<u>41,602</u>	<u>1,863</u>	<u>140,199</u>	<u>123,929</u>
Total 2023	<u>96,734</u>	<u>41,602</u>	<u>1,863</u>	<u>140,199</u>	<u>123,929</u>
Total 2022	<u>86,887</u>	<u>35,408</u>	<u>1,634</u>	<u>123,929</u>	

In 2023, of the total resources expended, £140,199k (2022: £123,929k) was to unrestricted funds and £NIL (2022: £NIL) was to restricted funds.

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Total resources expended include:

	2023 £000	2022 £000
Auditor's remuneration:		
Audit of the charitable company's annual financial statements	64	53
Non-audit services	9	9
Depreciation:		
Tangible fixed assets, owned	1,564	1,333
Amortisation: Intangible fixed assets	299	301
Operating lease rentals	1,084	802
	<u>1,084</u>	<u>802</u>

6. Net interest

	2023 £000	2022 £000
Interest payable to Group undertakings	743	441
	<u>743</u>	<u>441</u>

7. Staff costs

	2023 £000	2022 £000
Wages and salaries	76,770	68,830
Social security costs	7,872	7,176
Other pension costs (note 23)	11,595	10,523
Agency fees	497	358
	<u>96,734</u>	<u>86,887</u>

During the year, there were redundancy or termination payments made which amounted to £859k (2022: £231k).

The average number of persons employed by the Company during the year was as follows:

	2023 No.	2022 No.
	2,349	2,241

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7. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £60,001 - £70,000	110	75
In the band £70,001 - £80,000	36	32
In the band £80,001 - £90,000	11	9
In the band £90,001 - £100,000	10	7
In the band £100,001 - £110,000	4	4
In the band £110,001 - £120,000	7	5
In the band £120,001 - £130,000	5	3
In the band £130,001 - £140,000	3	5
In the band £140,001 - £150,000	3	3
In the band £150,001 - £160,000	2	1
In the band £170,001 - £180,000	1	1
In the band £180,001 - £190,000	1	2
In the band £190,001 - £200,000	2	4
In the band £200,001 - £210,000	1	-
In the band £230,001 - £240,000	1	-
In the band £260,001 - £270,000	1	1

Key management personnel, as listed on page 1, are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The remuneration for these individuals totalled £2,131k (2022: £1,624k).

During the year, the following amounts were paid in respect of higher paid employees as shown above:

	2023	2022
	£000	£000
Pension contributions to defined contribution, teachers' pension scheme and local government pension schemes	2,870	2,209

During the year, 48 higher paid employees (2022: 37) participated in defined contribution schemes, 138 (2022: 106) participated in the Teachers' Pension Scheme (operated by the Teachers' Pension Agency), 2 (2022: 2) participated in the Local Government Pension Scheme and 10 (2022: 7) did not participate in Charitable Company pension schemes.

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Payment to Trustees

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

No Trustee, or person with a family or business connection with a Trustee, received remuneration in the year, directly or indirectly, from either the Charitable Company or a company controlled by the Charitable Company.

Expense reimbursements paid to 2 (2022: 3) Trustees during the year amounted to £2k (2022: £2k) and all related to travel and subsistence costs.

8. Interest on Local Government Pension Scheme

	2023 £000	2022 £000
Interest on pension scheme liabilities	(300)	(163)
Interest income on pension scheme assets	381	142
	81	(21)
	81	(21)

9. Exceptional items

Exceptional costs incurred in school closures, mergers, acquisitions and disposals during the year ended 31 August amounted to £428k (2022: £798k).

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10. Intangible assets

	Software development £000
Cost	
At 1 September 2022	2,995
At 31 August 2023	<u>2,995</u>
Amortisation	
At 1 September 2022	940
Charge for the year	299
At 31 August 2023	<u>1,239</u>
Net book value	
At 31 August 2023	<u><u>1,756</u></u>
At 31 August 2022	<u><u>2,055</u></u>

All intangible fixed assets were used for charitable purposes.

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11. Tangible fixed assets

	Freehold land £000	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost						
At 1 September 2022	-	2,171	13,784	4,895	735	21,585
Additions	300	2	2,174	387	112	2,975
Disposals	-	-	(30)	(409)	-	(439)
At 31 August 2023	300	2,173	15,928	4,873	847	24,121
Depreciation						
At 1 September 2022	-	875	8,375	4,565	638	14,453
Charge for the year	-	34	1,090	358	82	1,564
On disposals	-	-	(30)	(409)	-	(439)
At 31 August 2023	-	909	9,435	4,514	720	15,578
Net book value						
At 31 August 2023	300	1,264	6,493	359	127	8,543
At 31 August 2022	-	1,296	5,409	330	97	7,132

All tangible fixed assets were used for charitable purposes.

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12. Fixed asset investments

	Listed investments £000
Valuation	
At 1 September 2022	216
Fair value adjustments	(6)
At 31 August 2023	<u>210</u>
	<u>2023</u> <u>2022</u>
	<u>£000</u> <u>£000</u>
Investments at value comprise:	
Listed investments	210 216

All the fixed asset investments are held in the UK.

Subsidiary undertakings

At 31 August 2023, the Charitable Company held more than 20% of the following:

	Holding	Nature of the business	Class of share capital held
	%		
St. Ives (Haslemere) Limited*	100	Dormant	-
United Learning Trust*	100	Education	-
Priory School (Banstead) Trust Limited*	100	Dormant	-

*Limited by guarantee

The registered office address of St. Ives (Haslemere) Limited, United Learning Trust and Priory School (Banstead) Trust Limited is Worldwide House, Thorpe Wood, Peterborough, England, PE3 6SB.

13. Stocks

	2023	2022
	£000	£000
Finished goods and goods for resale	<u>4</u>	<u>5</u>

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14. Debtors

	2023 £000	2022 £000
Due within one year		
Trade debtors	35,247	31,330
Amounts owed by Group undertakings	25,778	24,508
Other debtors	1,555	1,001
Prepayments and accrued income	2,575	2,279
	65,155	59,118

15. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	3,568	2,481
Amounts owed to Group undertakings	6	6
Other taxation and social security	2,037	1,873
Other creditors	12,327	12,933
Accruals and deferred income	44,637	41,265
	62,575	58,558

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

	2023 £000	2022 £000
Deferred income at 1 September 2022	38,049	34,594
Resources deferred during the year	41,405	38,049
Amounts released from previous periods	(38,049)	(34,594)
Deferred income as at 31 August 2023	41,405	38,049

Deferred income relates to fees invoiced in advance for the Autumn term.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
Designated funds						
Designated Funds	2,659	(302)	13	4	-	2,374
General funds						
General Funds						
- all funds	24,556	144,456	(140,403)	(3)	-	28,606
Pension reserve	(1,125)	-	191	-	125	(809)
	23,431	144,456	(140,212)	(3)	125	27,797
Total Unrestricted funds	26,090	144,154	(140,199)	1	125	30,171
Restricted funds						
Sponsorship fund	1,729	-	-	-	-	1,729
Other donated funds	714	-	-	(1)	(6)	707
	2,443	-	-	(1)	(6)	2,436
Total of funds	28,533	144,154	(140,199)	-	119	32,607

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16. Statement of funds (continued)

Designated funds are accumulated surpluses from prior years available for use by the School that generated the funds. In response to the impact of the COVID-19 pandemic the Charitable Company transferred £4 million of general funds to designated funds during 2020 to be used in support of those families at our independent schools who found themselves unable to pay school fees as a result of the pandemic.

The Sponsorship fund has been formed to gather together the external donations received towards the Charitable Company's support for the academies of United Learning Trust.

Other donated funds include a number of individual donations towards specific building and other projects within the Group.

The transfer from general funds to designated funds represents a designation to the Arnold Development Fund which is available for the benefit of the AKS school.

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16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
Designated funds						
Designated Funds	2,894	(322)	47	40	-	2,659
General funds						
General Funds - all funds	17,937	130,654	(123,998)	(40)	3	24,556
Pension reserve	(2,212)	-	22	-	1,065	(1,125)
	15,725	130,654	(123,976)	(40)	1,068	23,431
Total Unrestricted funds	18,619	130,332	(123,929)	-	1,068	26,090
Restricted funds						
Sponsorship fund	1,729	-	-	-	-	1,729
Other donated funds	720	-	-	-	(6)	714
	2,449	-	-	-	(6)	2,443
Total of funds	21,068	130,332	(123,929)	-	1,062	28,533

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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	8,543	8,543
Intangible fixed assets	-	1,756	1,756
Fixed asset investments	-	210	210
Current assets	2,436	83,046	85,482
Creditors due within one year	-	(62,575)	(62,575)
Provisions for liabilities and charges	-	(809)	(809)
Total	2,436	30,171	32,607

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £000</i>	<i>Unrestricted funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Tangible fixed assets	-	7,132	7,132
Intangible fixed assets	-	2,055	2,055
Fixed asset investments	-	216	216
Current assets	2,443	76,370	78,813
Creditors due within one year	-	(58,558)	(58,558)
Provisions for liabilities and charges	-	(1,125)	(1,125)
Total	2,443	26,090	28,533

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £000	2022 £000
Net income for the year (as per Statement of Financial Activities)	3,949	6,400
Adjustments for:		
Depreciation and amortisation charges	1,863	1,634
Interest paid	662	462
Decrease in stocks	1	3
(Increase) in debtors	(6,037)	(2,107)
Increase in creditors	4,017	3,862
Revaluation of fixed asset investments	6	3
Profit/(loss) on disposal of fixed assets	(1)	-
Defined benefit pension scheme cost less contributions payable	(110)	(43)
Net cash provided by operating activities	4,350	10,214

19. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand	20,323	19,690

20. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash and cash equivalents	19,690	633	20,323

21. Contingent liabilities

At 31 August 2023, the Charitable Company was party to cross-guarantees on bank loans and overdrafts of the parent undertaking totalling £6,811k (2022: £11,581k).

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22. Capital commitments

There were no capital commitments at 31 August 2023 or 31 August 2022.

23. Pension commitments

The Charitable Company operates defined contribution schemes for the benefit of its employees. The assets of the schemes are managed and held externally on behalf of the scheme members in funds independent from those of the Charitable Company. Employer contributions payable to the schemes during the year amounted to £1.493m (2022: £1.389m). Employee and employer contributions payable to the schemes at the Balance Sheet date amounted to £205k (2022: £167k) and are included within creditors.

The Charitable Company operates two defined benefit pension scheme: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pensions Scheme (LGPS) for non-teaching staff of one school, which is managed by the Local Authority.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £1,179k were payable to the schemes at 31 August 2023 (2022: £1,072k) and are included within creditors.

The Charitable Company also has an unfunded defined benefit pension scheme which is provided for in the financial statements.

Provisions for unfunded pensions included within the total defined benefit pension scheme liability amounted to £809k (2022: £1,125k). The current service cost amounted to £Nil (2022: £Nil) and actuarial losses recognised through other comprehensive income amounted to £195k (2022: £234k). Benefits paid during the year amounted to £121k (2022: £114k).

The current mortality assumptions in respect of unfunded pensions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on the retirement age of 65 are between 19-21 years. The discount rate applied in calculating the obligation is 5.40%, with future pension increase and inflation being 2.90%.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at

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23. Pension commitments (continued)

31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £10.023m (2022: £8.998m).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Charitable Company has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charitable Company has set out above the information available on the scheme.

Local Government Pension Scheme

The Charitable Company is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

The total employer's contribution made for the year ended 31 August 2023 was £55k (2022: £55k). The agreed contribution rates for future years are 21.6 - 21.9 per cent for employers and 7.4 - 11.7 per cent for employees.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2023	At 31 August 2022
	%	%
Discount rate	5.40	4.30
Future salary increases	4.30	4.40
Future pension increases	2.90	3.00
Inflation assumption	2.80	2.90

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23. Pension commitments (continued)

	At 31 August 2023	At 31 August 2022
Mortality rates (in years)		
- for a male aged 65 now	21.0	22.3
- at 65 for a male aged 45 now	22.2	23.7
- for a female aged 65 now	23.4	25.0
- at 65 for a female aged 45 now	25.2	26.8

The Company's share of the assets in the scheme was:

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	4,213	4,225
Bonds	35	394
Property	827	976
Cash	52	143
Other	3,577	3,214
Total market value of LGPS assets	8,704	8,952

The actual return on scheme assets was £(80k) (2022: £633k).

The amounts recognised in the Statement of Financial Activities are as follows (for both the LGPS and unfunded pension scheme):

	2023 £000	2022 £000
Current service cost	(64)	(124)
Interest cost	(300)	(163)
Interest income	381	142
Administrative expenses	(2)	(2)
Total amount recognised in the Statement of Financial Activities	15	(147)

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23. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2023 £000	2022 £000
Opening defined benefit obligation	8,212	10,668
Current service cost	64	124
Interest cost	300	163
Contributions by scheme participants	19	20
Benefits paid - LGPS	(240)	(210)
Benefits paid - unfunded obligation	(121)	(114)
Actuarial gains	(1,626)	(2,439)
Closing defined benefit obligation	6,608	8,212

Movements in the fair value of the Company's share of scheme assets were as follows:

	2023 £000	2022 £000
Opening fair value of scheme assets	8,952	8,456
Interest on assets	381	142
Actual return less interest	(461)	491
Contributions by employer	55	55
Contributions by scheme participants	19	20
Benefits paid	(240)	(210)
Administration expenses	(2)	(2)
Closing fair value of scheme assets	8,704	8,952

The Charitable Company expects to contribute £59k to the LGPS in 2023.

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23. Pension commitments (continued)

Amounts for the current and previous period are as follows:

	2023	2022
	£000	£000
Defined benefit pension schemes		
Defined benefit obligations (including unfunded pension deficit)	(6,608)	(8,212)
LGPS assets	8,704	8,952
Unrecognised asset	(2,905)	(1,865)
Net deficit	(809)	(1,125)
Experience adjustments on LGPS and unfunded liabilities	1,626	2,439
Experience adjustments on LGPS assets	(461)	491
	2023	2022
	£000	£000
Unfunded pension scheme liability	(809)	(1,125)
Total	(809)	(1,125)

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24. Operating lease commitments

At 31 August 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £000	2022 £000
Amounts payable: Land and buildings		
Within 1 year	327	240
Between 1 and 5 years	981	873
After more than 5 years	1,410	578
	<u>2,718</u>	<u>1,691</u>

	2023 £000	2022 £000
Amounts payable: Other		
Within 1 year	1,280	1,084
Between 1 and 5 years	1,878	782
After more than 5 years	98	3
Total	<u>3,256</u>	<u>1,869</u>

25. Directors' indemnities

In accordance with normal commercial practice, the Charitable Company has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2023 was £nil (2022 - £nil). The cost of this insurance is included in the total insurance cost.

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26. Related party transactions

United Learning Ltd is the sole member of United Church School Trust (UCST).

During the year, United Learning Ltd charged interest totalling £743k (2022: £442k) and rent totalling £2,231k (2022: £1,787k) to the Charitable Company.

UCST is the sole member of United Learning Trust (ULT).

The Charitable Company provided central services to ULT. The total amount charged during the year totalled £13,754k (2022: £12,557k) and was computed so as to equal the actual costs incurred on a per pupil basis.

At the year end date, balances amounting to £25,778k (2022: £24,508k) were due to the Charitable Company, and balances amounting to £6k (2022: £6k) were due from the Charitable Company to other entities in the Charitable Group of which United Learning Ltd is the ultimate parent. These balances arise as a result of direct recharges of costs where resources are centrally procured, with the underlying transactions not therefore representing related party transactions.

There have been no other transactions with related parties that require disclosure under either FRS 102 or Charities SORP (FRS 102) (effective 1 January 2019).

27. Ultimate parent undertaking and controlling party

The Board considers that the ultimate and immediate parent undertaking of the Charitable Company is United Learning Ltd (Company number: 00018582) by virtue of the fact that it is the sole member and therefore has the ability to appoint or remove trustees. The principal objects of United Learning Ltd are the same as those of the Charitable Company.

In the opinion of the Directors, there is no ultimate controlling party.

The largest group of undertakings for which group accounts have been drawn up is that headed by United Learning Ltd. Copies of the group accounts can be obtained from Worldwide House, Thorpe Wood, Peterborough, PE3 6SB.

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28. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value	210	216
Financial assets measured at amortised cost	82,632	76,367
	<u>82,842</u>	<u>76,583</u>
	2023 £	2022 £
Financial liabilities		
Financial liabilities measured at amortised cost	16,979	16,604